

October 29, 2007

**WASHINGTON, D.C.** - U.S. Rep. Charlie Melancon (D-LA) spoke on the floor of the U.S. House of Representatives today in support of legislation to cut some of the red tape that is still hindering the Gulf Coast's recovery from the 2005 hurricanes.

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**WASHINGTON, D.C.** - U.S. Rep. Charlie Melancon (D-LA) spoke on the floor of the U.S. House of Representatives today in support of legislation to cut some of the red tape that is still hindering the Gulf Coast's recovery from the 2005 hurricanes. The Hurricanes Katrina and Rita Recovery Facilitation Act of 2007 (H.R. 3247), which passed the House on suspension, would authorize changes to the public assistance programs under the Stafford Act to provide relief for problems specific to Katrina and Rita recovery efforts. Rep. Melancon's floor speech can be viewed here: <http://www.youtube.com/watch?v=etvoTNWZ5bw>.

Rep. Melancon worked closely with other members of the Louisiana delegation and the bill's authors to ensure that the legislation fixed many of the short-term problems identified by local officials in south Louisiana. Rep. Melancon first brought these issues to the attention of his colleagues during a May Congressional hearing.

**"Since the storms, many leaders in south Louisiana who are struggling to rebuild their communities have found themselves entangled in government red tape,"** said Rep. Melancon. **"Unfortunately, it seems like when the federal government had the opportunity to say 'yes,' bureaucrats instead found a reason to say 'no.' With this commonsense legislation we passed today, we are forcing the bureaucrats to be more flexible and work with local officials - instead of against them - to move the recovery forward. We need to**

**bring FEMA to a position of reality, instead of bureaucracy."**

Specifically, Rep. Melancon worked to include the following provisions in H.R. 3247:

- **Increase the Federal share for alternate projects from the current level of 75 percent to 90 percent** for Hurricanes Katrina and Rita for both public and private non-profit facilities. This provision will help those communities who have had multiple facilities destroyed by these storms rebuild facilities and reestablish services in a manner that will best suit their needs.
- **Permits the use of third parties to review and expedite public assistance appeals through the use of alternative dispute resolution procedures.** As Rep. Melancon noted in his floor speech today, "Many Project Worksheets are STILL under review after 27 months. Without a guarantee that a project will be fully funded, the State and local governments are apprehensive to even begin a project, afraid that FEMA will ask for the money back." A third party review process would expedite this process.
- **Raise the Small Project limit to \$100,000.** Allow FEMA to use the Simplified procedure for "small projects" for projects up to \$100,000, up from the current limit of \$55,000. Small projects are allowed to proceed on estimates.
- **Makes certain Louisiana facilities that house evacuees eligible for reimbursement.** Facilities which housed evacuees are authorized for reimbursement for damages incurred by housing evacuees. This provision applies to the Lamar-Dixon Expo Center in Ascension Parish, the Baton Rouge River Center, and the Cajundome in Lafayette.
- **Authorize the FEMA Administrator to include Gulf Coast recovery efforts under a public assistance pilot project authorized by the Post-Katrina Emergency Management Reform Act** (P.L. 109-295).

The Hurricanes Katrina and Rita Recovery Facilitation Act of 2007 is part of Rep. Melancon's

work in Congress to help local governments in south Louisiana who are still struggling to recover from Hurricanes Katrina and Rita. Previously, Rep. Melancon worked with the Louisiana delegation and Congressional leadership to waive the 10 percent local government cost share requirement for disaster recovery projects and allow federal Community Disaster Loans to be forgiven for localities that can not afford to repay them.

Under the federal Robert T. Stafford Act, public assistance projects required a 10 percent cost share from local governments upfront before the remaining 90 percent in federal grant money can be used. Many of the estimated 23,000 disaster recovery projects in Louisiana had been put on hold because local governments did not have the resources to provide the match. The local match requirement has been waived 32 times since 1985 when per capita rebuilding costs have been deemed excessive, but had not yet been waived for Katrina and Rita.

Rep. Melancon worked with House leadership to include the waiver of the 10% match in the Iraq/Katrina Emergency Supplemental Appropriations bill, which was passed by Congress and signed into law by the President at the end of May. This bill provides a total of \$6.419 billion in hurricane recovery and relief funding for Louisiana and other Gulf Coast states.

In addition, Rep. Melancon successfully lobbied House leadership to include language in the Emergency Supplemental Appropriations bill making Katrina- and Rita-affected communities eligible for forgiveness of their Community Disaster Loans. An estimated \$1 billion in CDLs were provided by the federal government to hurricane-affected local governments immediately following Katrina and Rita to help them continue daily operations, such as payroll for law enforcement and emergency responders. Many local governments do not have the ability to repay this massive debt, as their tax bases were devastated by the storms. Rep. Melancon argued that, in the past, CDLs have been forgiven following many other major disasters, including Hurricane Andrew and the September 11<sup>th</sup> terrorist attacks. With the passage of the Supplemental, Katrina and Rita CDLs became eligible for forgiveness, taking a huge financial burden off of local governments in south Louisiana.

Below is Rep. Melancon's statement given today in support of H.R. 3247.

*Thank you, Congresswomen Norton. I thank you for your leadership in moving this piece of legislation forward.*

*I am proud of what we have done this Congress to address the recovery and rebuilding needs in the Gulf Coast after two unprecedented storms - Hurricanes Katrina and Rita, but our needs are still great.□□□□*

*From my experience over the last two years, the Stafford Act was not written for storms with devastation the size of Katrina and Rita, nor was FEMA prepared to respond - particularly in the long-term - to storms of this magnitude.□*

*H.R. 3247 would amend the Stafford Act to more accurately reflect the rebuilding and recovery needs of the Gulf Coast.□*

*St. Bernard Parish in my district only had a handful of buildings that were not damaged in the storms and less than 40% of the parish's population has returned.□ Through the alternate project penalty, the Stafford Act essentially penalizes parish officials as they rebuild to reflect the returning population.□ H.R. 3247 would reduce this penalty from 25% to 10% of the project's cost.□*

*The bill would also instruct FEMA to use alternate dispute resolution in place of its completely inadequate Project Worksheet appeals process.□ Many Project Worksheets are STILL under review after 27 months.□ Without a guarantee that a project will be fully funded, the State and local governments are apprehensive to even begin a project, afraid that FEMA will ask for the money back.□ FEMA itself is preventing the rebuilding of the Gulf Coast.□ This needs to change.*

*I appreciate all the work Congress has done to address the recovery and rebuilding needs of the Gulf Coast.□ I ask that my colleagues again assist with easing the restrictions to full recovery by supporting H.R. 3247.□*

*I yield back the balance of my time.□□□□□□□□□□*

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